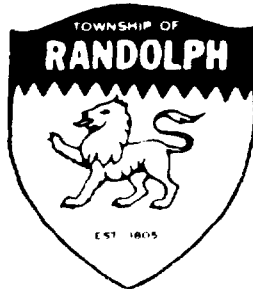


# Township of Randolph

MUNICIPAL BUILDING  
502 MILLBROOK AVENUE  
RANDOLPH, N.J. 07869-3799



Mayor  
Kevin W. Creter

Deputy Mayor  
Ally Meehan

## Council Members

Joyce Bator-Rabinoff  
John Finnerin  
Jon Huston  
Elizabeth L. Jaeger  
William Venne

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JAN 27 1993

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

Township Manager  
J. Peter Braun

Township Clerk  
Doris M. Ryan

DOCKET FILE COPY ORIGINAL

Telephone (201) 989-7100  
FAX (201) 989-7076

January 26, 1993

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JAN 27 1993

FCC 501 1-1-93

Ms. Donna R. Searcy  
Federal Communications Commission  
1919 M Street, N.W.  
Washington, D.C. 20554

Re: Cable Television Rate Regulation  
(Docket #92-266)

Dear Ms. Searcy:

Please ensure that the enclosed statement (and five copies) are  
filed as part of the public comment for Cable Television Rate Regulation  
(Docket #92-266).

Thank you.

Sincerely yours,

*Stephen Mountain*

Stephen Mountain  
Assistant Township Manager

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Enclosure

CC: J. Peter Braun

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TOWNSHIP OF RANDOLPH

STATEMENT IN SUPPORT OF THE CABLE TELEVISION CONSUMER  
PROTECTION AND COMPETITION ACT OF 1992  
RE: PROPOSED REGULATION RULES - FEDERAL COMMUNICATIONS COMMISSION  
JANUARY 26, 1993

**RECEIVED**  
**JAN 27 1993**

Ladies and Gentlemen:

I am pleased to submit this statement in support of cable television regulation on behalf of the Randolph Township Council, Randolph, New Jersey and the residents of our community.

It is my understanding that the Federal Communication Commission (FCC) has initiated a rulemaking proceeding in response to the passage of the Cable Television Consumer Protection and Competition Act of 1992. It is also my understanding, that as part of this proceeding the FCC is seeking public comment on the proposed rate regulation rules.

The Township of Randolph strongly supports the FCC's efforts in the area of cable television regulation. The Township has been a proponent of cable regulation for many years, supporting numerous legislative efforts to bring effective regulation and more competition to telecommunications. Now that time has come for such regulation, we are happy to have the opportunity to comment on the proposed rules.

Since the industry's de-regulation in the early 1980's, Randolph residents have inundated the Township with complaints about the cost and quality of cable service in the community. This is not surprising given the fact that during this time, the Township's cable operator has consistently raised rates and offered only marginal improvements to service. For example, since 1988, the rates for basic cable service in Randolph have risen from \$13.00 to \$19.00, a 46 percent increase. During this same five year period, the number of channels offered through the basic cable package has not increased by even one channel. We hope through strong and clear regulation, this inexcusable situation will never again occur and that many of the complaints we have received in recent years will finally be put to rest.

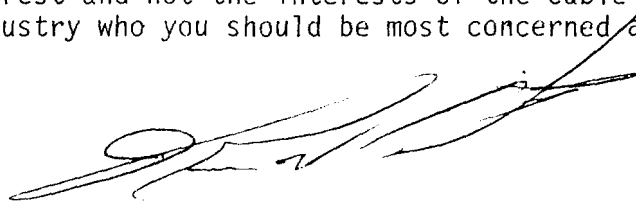
We understand that there are two options being considered in the rate regulation proceedings, a "benchmark approach" and a "cost-based approach". Although we are not experts in this area, we do have a couple of comments we would like considered as a decision is made on which approach to utilize. Our main concern is with the "benchmark approach". We are worried that if this approach is used, the benchmark rate will be artificially high, since it would be based on an average of the current rates which we feel are already excessive. Furthermore, such a method does not take into consideration the level of service provided by the cable operator. For instance, some cable operators charge a basic cable rate (i.e., \$19.00) and offer 50-75 channels as part of their basic service. Meanwhile, other cable operators charge the same rate or higher, and include only 35-40 channels in their basic service. How would the "benchmark" approach account for such service variations?

## Cable Television Regulation Statement

We feel the "cost-based" approach is a much more logical means of regulation. According to this method, the regulation would be based on the costs and level of service provided by the individual cable operator, and not an artificial benchmark which might not apply to a given region or cable operator. If a cable operator is offering a quality service then the rates should reflect this output. At the same time, however, if only marginal service is provided by a cable operator, then that operator should only be allowed to charge a marginal rate. Through the "cost-based" approach to regulation this would be accomplished. Arbitrary rate increases would not be possible, and at the same time, a healthy incentive would still exist for cable operators to continually improve their service.

Randolph Township strongly supports the effort to regulate the cable television industry. We urge you to conduct a careful and thorough analysis on whatever approach you decide to utilize to regulate rates and to ensure that this approach does not end up adversely affecting the cable customer. Remember, it is the public interest and not the interests of the cable operators or the television industry who you should be most concerned about protecting.

Thank you.

A handwritten signature in black ink, appearing to read 'Kevin W. Creter', with a long horizontal stroke extending to the left.

Kevin W. Creter  
Mayor

Rate Regulation Docket #92-266